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UNCLAS SECTION 01 OF 03 KATHMANDU 000901

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TREASURY FOR GENERAL COUNSEL/DAUFHAUSER AND DAS JZARATE
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SUBJECT: UPDATE ON NEPAL'S MAOIST INSURGENCY, May 10-15

REFERENCE: KATHMANDU 0860

SUMMARY

1. The second round of peace talks between negotiators for the Government of Nepal (GON) and Maoists was held on May 9 (Reftel). International envoys continue to express support and hope for successful peace talks. The Royal Nepal Army (RNA) says it will not accept limitations on its patrolling. Maoist recruitment of children continues despite denials by a senior Maoist leader. Extortion, abduction, looting and physical assault by the Maoists continue despite their public claims to be abiding by the ceasefire. Thousands of people defied Maoist orders to attend free health camps set up by the Royal Nepal Army (RNA). The All Nepal National Independent Students' Union- Revolutionary (ANNISU-R) locked the accounting offices of various schools in protest of high tuition fees. End summary.

SECOND ROUND OF TALKS HELD

2. The second round of peace talks between negotiators for the GON and Maoists was held on May 9 (Reftel). Krishna Bahadur Mahara, Maoist spokesman, told reporters at the conclusion of the talks that they had taken "a positive turn," while Narayan Singh Pun, Minister of Physical Planning and Works and government negotiating team member, termed them a "historic success." Maoist representatives used the second round to present additional demands, while the GON still has not presented its agenda. Minister Pun said the GON's agenda would be discussed only after the Maoists' demands were sorted out. (Comment: Considering the Maoist penchant for seemingly endless demands, it is difficult to say when the GON's agenda will surface.) The second round concluded with the GON, yet again, conceding to several more Maoist demands, apparently including limiting the movement of the army to within a three-mile radius of their barracks, and agreeing to release three Central Committee Members still imprisoned. (Note: The Maoists had demanded the release of five of their Central Committee Members as a pre-condition for peace talks. The GON has already released two. End Note). No date has been set for the next round.

SUPPORT AND SKEPTICISM FOR PEACE TALKS

3. With the completion of the second round of talks, members of the international community have become more vocal in expressing hope and support for a peaceful solution. Ingrid Ofstad, Ambassador of Norway to Nepal, expressed hope that some of Nepal's social and economic problems could be resolved now that the peace talks appeared to be progressing. Asko Luukkhainen, Charge d'Affairs of the Embassy of Finland, said he was confident that the peace talks would be a success, declaring that his government "welcomed the negotiations."

4. Official peace talk facilitators, however, apparently do not share this optimism. Padma Ratna Tuladhar and Daman Nath Dhungana, both facilitators in the current talks as well as the failed talks in 2001, reportedly have expressed concern over the lack of participation from political parties, civil society and human rights activists. Tuladhar and Dhungana, speaking at a human rights symposium on May 10, cautioned that the talks could flounder.

RNA REJECTS RESTRICTIONS

5. Controversy has surrounded the supposed deal made between the GON and the Maoists to limit the movement of the Royal Nepal Army (RNA). Amidst strong protests from the

RNA, some government officials have denied that a deal was struck, and members of the RNA have said they will not accept the deal. Colonel Deepak Gurung, RNA spokesman, said on May 14 that the army will continue patrolling as usual. Gurung reiterated that the Maoists still pose a threat to security, and that the RNA would not restrict itself to a three-mile radius until it recovered all of the looted weapons from the insurgents. Gurung also told the DCM that he had not received any official word from the GON on the restrictions.

16. According to local press reports, senior officers in the RNA have also refused to acknowledge the deal made between the GON and the Maoists, and have strongly condemned the GON's decision. A local publication quoted an unnamed army official on May 11 as saying that the decision should have been made by the Defense Council (comprised of the Prime Minister, Defense Minister and Chief of the Army) and not by "a few ministers." Other top officers were quoted as saying the army will never accept the deal, declaring that it jeopardizes national security. Dev Gurung, a politburo member of the Maoists, however, said the RNA was simply trying to establish military rule. Minister Pun, in response to press inquiries on May 11 about the restrictions, was quick to point out that it would take time to implement.

FORMER CHILD SOLDIERS SPEAK OUT AS MAOIST LEADER DENIES RECRUITING CHILDREN -----

17. Partha Chettri, a Maoist leader recently released from prison, dismissed allegations of child recruitment by the Maoists as "war propaganda." His denials directly contrast with the admissions made by Maoist cadres in the eastern district of Panchthar, who claim that they recruited youths as recently as May 14 to join militant ranks. Press reports from the district quoted a Maoist leader as saying that seventeen youths were taken from their families for the purpose of serving in the "People's War." Chettri's denials, issued on May 11, also come at a time when many child soldiers who had been underground are returning home. A vernacular publication, which conducted interviews with former child soldiers from the far-western district of Kalikot, reports that that district alone had three hundred child soldiers, some of whom were as young as eight years, and who reportedly were ready to resume fighting if peace talks fail. A ten-year-old child who joined the Maoist insurgency two years ago told the publication that there were "hundreds of children like me." Although many of them spoke of being willing to return to the jungle if the peace talks failed, most said they had endured "unimaginable hardships" as soldiers, and hoped that they would never have to pick up a gun again.

MAOIST VIOLATIONS RAMPANT -----

18. A report released on May 9 that was compiled by local district security committees documents widespread and rampant ceasefire violations by Maoists. According to the report, Maoist violations include extortion; holding mass meetings while armed; abduction of civilians, including women and children; forcing families to attend public gatherings; assault; disruption of infrastructure reconstruction projects and postal operations; and extorting money from tourists.

19. Maoists reportedly have stepped up their recruitment in the far-western district of Accham, along with increased extortion and looting of money and food. The insurgents have also reportedly locked up the Village Development Committee (VDC) offices in Bardiya and Salyan Districts, causing government workers to shut down operations and flee. Maoists have also carried out looting sprees in Bardiya, stealing wheat, lentils and other cash crops that were being transported after harvest. Many of the villagers have fled the region as a result. In Kailali District the insurgents reportedly threatened to break the hands and legs of people who interfered with their looting of forestry offices.

110. Maoists continue to target innocent civilians, abducting thirteen people from various districts. The insurgents claim some of the victims were taken on suspicion of stealing, but no reason was given for the kidnapping of others, including a district secretary for the Communist Party of Nepal-United Marxist Leninist (CPN-UML).

111. Extortion campaigns by the Maoists are not limited to locals. The Nepal Association of Rafting Agents (NARA) claims that the insurgents still demand money from tourists and agents who want to raft on rivers in areas where Maoists operate. Mahendra Singh Thapa, President of NARA, said the exactions have continued despite the ceasefire, with tourists being forced to pay a twenty-dollar "donation" to

the insurgents. The rafting industry has been especially hard hit by the Maoist insurgency, with the number of rafting agencies dwindling from seventy to thirty-six.

RNA HOLDS HEALTH CAMPS

12. Thousands of people defied a Maoist ban to attend free health camps set up by the Royal Nepal Army (RNA) in some of the hardest hit mid-western districts. Over ten thousand people reportedly received medical assistance in the districts of Dang, Salyan, Rukum and Rolpa. Maoists in those regions reportedly ordered villagers not to attend the camps, proclaiming them to be in violation of the ceasefire. The Insurgents also threatened villagers on their way to the camps, and cut off the drinking water supply to health camps in Salyan District. The RNA says it has no plans to discontinue the health camps, and is organizing similar programs in other remote districts of the mid- and far-western regions.

ANNISU-R LOCKS ACCOUNTING OFFICES

13. The All Nepal National Independent Students' Union-Revolutionary (ANNISU-R), the Maoist affiliated student wing, carried out their threat to lock the accounting offices of various private schools. The militant students began the lockouts on May 9 as a protest against "unreasonable" fees charged by private institutions. The lockouts continued with the shutdown of two accounting offices at schools in Bara District on May 12. While classes were not disrupted, the students warned that they would impose indefinite strikes on the schools if their concerns were not taken seriously. Officials at the Bara schools said they were forced to raise fees because money provided by the GON was insufficient.

BOGGS